



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 1997

Mr. John Ed Chambers, III
President and Chief Executive Officer
Chambers Bancshares, Inc.
P.O. Box 1330
Danville, Arkansas 72833

Dear Mr. Chambers:

You have requested a determination that the Chambers Family Partnership (the "Partnership") is a qualified family partnership under the Bank Holding Company Act, as amended by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (the "BHC Act").^{1/} The Partnership currently owns 5.8 percent of the outstanding voting securities of Chambers Bancshares, Inc., Danville, Arkansas ("Bancshares").^{2/}

You have represented that the Partnership meets all of the conditions for eligibility as a qualified family partnership. You indicated that the partners of the Partnership are individuals who are related by blood, marriage, or adoption, or trusts for the primary benefit of those individuals. You also indicated that the Partnership controls banks only through its control of Bancshares, which is a registered bank holding company, that it will not engage in any other business activities, that it will have no investments other than its interest in Bancshares, and that it is not obligated on any debt. The Partnership has committed to comply with the conditions for eligibility, to be subject to examination by the Board, to comply with the Change in Bank

^{1/} Pub. L. 104-208, § 2610, 110 Stat. 3009.

^{2/} Bancshares owns voting shares of the following Arkansas state banks (voting share ownership is in parentheses): Danville State Bank, Danville (100 percent), Bank of Atkins, Atkins (100 percent), Scott County Bank, Waldron (99.9 percent), Arkansas Valley Bank, Dardanelle (99.6 percent), Bank of Amity, Amity (98.5 percent), and Bank of Rogers, Rogers (21.8 percent).

Control Act, and to be subject to the enforcement provisions of the Federal Deposit Insurance Act to the same extent as if it were a bank holding company.

Based on all the facts of record, including the representations made to the Board by the Partnership, the Board's General Counsel, acting pursuant to delegated authority, and after consulting with the Director of the Division of Banking Supervision and Regulation, has hereby determined that the Partnership will be a qualified family partnership for purposes of the BHC Act. Please be advised that any change in the facts relied on by the Board could result in reconsideration of this determination.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long horizontal flourish extending to the right.

Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of St. Louis